

Message Text

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ACTION EB-11

INFO OCT-01 CIAE-00 COME-00 DODE-00 NSAE-00 RSC-01 TRSE-00

EUR-25 AEC-11 ISO-00 MC-02 DRC-01 /052 W

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FM AMEMBASSY THE HAGUE

TO SECSTATE WASHDC 2775

INFO AMCONSUL DUSSELDORF

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EXCON FOR COMMERCE

E.O. 11652: N/A

TAGS: ESTC, GW

SUBJECT: P.L. EXPORT TRANSACTION CHECK: EISENLEGIERUNGEN

HENDEL - GESELLSCHAFT GRONDMET

REF: A) STATE A-8580 OF 10/12/73

B) STATE 247377 OF 12/20/73

C) HAGUE 0085

D) DUSSELDORF 0024

1. EDO INTERVIEWED WILLEM VAN'T WOUT, ONE OF FOUR DIRECTORS OF GRONDMET N.V., NOW LOCATED AT BOEZEMBOCHT 23, ROTTERDAM, TO DISCUSS RELATIONSHIP OF GRONDMET TO EISENLEGIERUNGEN HANDEL-GESELLSCHAFT GMBH AND GRONDMET, AS WELL AS CURRENT ACTIVITIES OF GRONDMET.

2. ACCORDING TO VAN'T WOUT, GRONDMET AND EISENLEGIERUNGEN HANDEL-GESELLSCHAFT ARE WHOLLY-OWNED BY ROLAB HOLDING, N.V., A DUTCH-REGISTERED AND, HE SAID, 100 PERCENT BRITISH-OWNED HOLDING COMPANY LOCATED AT SAME ADDRESS AS GRONDMET. HE SAID ROLAB HOLDING ALSO OWNS GRONDMET AVIATION, JEWOMETAAAL B.V., AND BUYTENHEK & CO., N.V., ALL THREE IN ROTTERDAM, AS WELL AS GRONDMET PARIS, IN PARIS, AND MERCHANT METALS IN LONDON. (CHECK WITH ROTTERDAM CHAMBER OF COMMERCE DISCLOSED THAT ROLAB

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HOLDING N.V. WAS REGISTERED ON JAN 31, 1964 AS A FINANCING

COMPANY. ROLAB'S ADDRESS IS GIVEN AS BOEZEMBOCHT 23, THE SAME AS GRONDMET. VAN'T WOUT IS SHOWN AS MANAGING DIRECTOR OF ROLAB, ACCORDING TO CHAMBER).

3. VAN'T WOUT, SAID THAT GRONDMET'S BUSINESS IS IN BUYING AND SELLING OF VIRGIN METALS AND METAL SCRAP, MOSTELY FERROALLOYS, AND NOW EMPLOYS 50. HE SAID FIRM DEALS WORLDWIDE, INCLUDING EASTERN EUROPE AND USSR. EISENLEGIERUNGEN, HE SAID, IMPORTS MAINLY FOR NEEDS OF LOCAL GERMAN STEEL INDUTRY.

4. IN RESPONSE TO QUERY BY EDO WHETHER GRONDMET N.V., OR ANY OF RELATED FIRMS MENTIONED BY VAN'T WOUT (PARA 2), HAVE ANY DEALINGS WITH CUBA, VAN'T WOUT STATED NONE RPT NONE OF THEM DO, INCLUDING GRONDMET. EDO INDICATED IT WAS EMBASSY'S UNDERSTANDING THAT CUBA HAD BEEN CLIENT OF GRONDMET. EDO THEN INQUIRED WHEN THAT RELATIONSHIP HAD CEASED. VAN'T WOUT REPLIED THAT ROLAB-OWNED FIRM OTHER THAN GRONDMET HAD RPT HAD BEEN DEALING WITH CUBA BUT THAT THE FIRM IN QUESTION, WHICH HE DECLINED TO IDENTIFY, WAS NO LONGER PART OF ROLAB HOLDING. THE LATTER HAVING DIVESTED ITSELF OF THE UNNAMED FIRM SEVERAL YEARS AGO (VAN'T WOUT WAS VAGUE ON THE MANNER AND TIME OF SUCH DISPOSITION, LEAVING OPEN QUESTION OF PRESENT RELATIONSHIP OF ROLAB TO MYSTERY FIRM. VAN'T WOUT EXPLAINED THAT HE DID NOT WANT TO INDENTIFY FIRM IN QUESTION BECAUSE HE FEARED SUCH DISCLOSURE WOULD LEAD TO UNFAVORABLE "REPERCUSSIONS". HE IMPLIED, HOWEVER, THAT MYSTERY FIRM CONTINUES TRADE WITH CUBA, ACTING AS BUYER OF MINERAL PRODUCTION.) VAN'T HOUT EMPHASIZED THAT GRONDMET'S OWNERS HAVE PLACED CONDITION ON GRONDMET THAT IT HAVE ABSOLUTELY NO DEALINGS WITH CUBA. IN RESPONSE TO QUESTION WHETHER GRONDMET ACTS AS INTERMEDIARY FOR FIRMS WHICH DO BUSINESS WITH CUBA, VAN'T WOUT REPLIED IN NEGATIVE, ADDING THAT OWNER'S PROHIBITION ALSO PRECLUDED THAT.

5. RESPECTING HIS EARLIER DIFFICULTIES WITH GON EXPORT CONTROL AUTHORITIES (REF C), VAN'T WOUT SAID HE IS BASICALLY A PROPONENT OF FREE TRADE AND WAS EVEN MORE SO AT TIME OF HIS DIFFICULTIES, WHEN HE WAS IN MID-TWENTIES. THIS ATTITUDE HAD LED HIM TO SCOFF EXCON REGS AT THAT TIME. HOWEVER, SINCE HIS TRAVAILS, HE HAS BEEN PLAYING BY THE RULES, HE SAID. HE INDICATED BEING PERPLEXED, AT WHY HE IS STILL OUT OF GRACE LIMITED OFFICIAL USE

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WITH US AUTHORITIES BUT IS PARTICULARLY BITTER ABOUT FACT THAT GRONDMET HAS ALSO BEEN "VICTIM" OF USG DISPLEASURE. FIRM HAD HAD NOTHING TO DO WITH HIS EARLIER VIOLATION, HE SAID, IN WHICH HE HAD BECOME INVOLVED ON HIS OWN AND NOT AS GRONDMET'S AGENT.

6. EMBASSY DOES NOT FEEL IT HAS SUFFICIENT INFORMATION ON RELATIONSHIP OF GRONDMET TO OTHER FIRMS IN ROLAB GROUP AND THEIR OPERATIONS ON WHICH TO BASE RECOMMENDATION FOR LIFTING OF

SANCTIONS UNDER AAP AT THIS TIME. WHILE WE ARE REASONABLY
CERTAIN THAT GRONDMET ITSELF IS FOLLOWING GON EXPORT
CONTROL REGS, WE NOT CERTAIN ABOUT CUBA TRADE ANGLE. WE WILL
TRY TO DO FURTHER CHECKING. WILL REPORT RESULTS. EMBASSY WONDERS,
HOWEVER, WHETHER QUANTITY AND VALUE OF ZIRCONIUM SCRAP INVOLVED
IN SUBJECT US EXPORT LICENSE APPLICATION IS
SIGNIFICANT ENOUGH FOR EISENLEGIERUNGEN TO WANT TO RISK POSSIBILITY
OF FUTURE DOC DENIAL ORDER BY DIVERTING ZIRCONIUM IN
QUESTION TO UNAUTHORIZED DESTINATION. WE DO NOT, HOWEVER, FEEL
COMPETENT TO MAKE JUDGEMENT ON THAT SCORE.
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